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GAO/ID-80-33 Summary

BY THE COMPTROLLER GENERAL

COMPLETED

Report To The Congress

OF THE UNITED STATES

ORIGINAL

AID Slow In Dealing With Project Planning And Implementation Problems

During the past, GAO and internal AID officials have made a number of recommendations to improve management of the Agency for International Development-administered programs that are aimed at improving the way of life in developing countries. This report shows that past problems continue.

AID needs to improve its planning and monitoring of project procurement and implementation and to take a more aggressive role in managing project commodity acquisition.

SUMMARY

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COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

AID SLOW IN DEALING WITH PROJECT PLANNING AND IMPLEMENTATION PROBLEMS

D I G E S T

The Agency for International Development (AID) finances hundreds of millions of dollars annually in project commodities for developing countries. Past problems in planning procurements and monitoring project implementation still exist.

Despite repeated recommendations by GAO and others, including AID management teams, to improve project monitoring effectiveness, (1) project milestones are still not being met effectively and (2) identified management problems are not being attended to promptly.

Delays in ordering and receiving project commodities occur because AID management has not adequately planned procurements, project officers are not adequately trained in procurement and supply management matters, and AID has not issued clear instructions on project implementation.

Unnecessary procurement costs are incurred because AID does not have information on the total amount and the types of commodities purchased for financed projects. As a result AID is not able to obtain the benefits associated with the standardization of items used on projects and the consolidation and advance purchase of selected common-use commodities.

For some types of commodities, GAO identified uneconomical expenditures in excess of $600,000 that could have been avoided through closer management of commodity procurement.

AID officials recognize the problems. However, action to improve planning and project

monitoring has been slow. GAO, therefore, recommends that the Administrator of AID

--assure that the geographic bureaus increase efforts for finding solutions to problems that continue to inhibit the process of delivering economic assistance to developing countries, and assure that studies undertaken for that purpose produce usable products;

--direct those responsible for agencywide coordination to follow up on such efforts, including speedy issuance of adequate monitoring guidance;

--reemphasize the need for adequate project planning, including development of time-phased procurement plans and schedules, at the earliest possible stage in the project design process in clear and explicit guidance to AID personnel responsible for project design and approval;

--establish a procedure to assure that AID project officers going overseas receive mandatory training in procurement, contracting, and supply-management matters;

--require full use, during the project design stage, of AID personnel already trained in procurement, contracting, and supply-management matters;

--establish an accounting and reporting system that includes systematic collection and analysis of information on project commodities for commodity-management purposes;

--authorize pilot experiments for seeking more prudent and economical procurements of AID-financed commodities through wider application of recognized procurement principles; and

--enforce appropriate price checks of project commodity purchases.

AGENCY COMMENTS

The AID Administrator agreed with GAO recommendations for improved monitoring of projects and for better planning of project implementation at the project design stage. Some action is underway to issue clear and definitive guidance to AID project managers, but target dates have not been established for all actions promised.

AID officials did not concur with GAO recommendations for improvements in managing procurement of selected project commodities. (See app. I.) GAO believes that economies in project commodity procurements are possible through closer management of certain items.

AID provided detailed comments on specific issues discussed in the report. GAO considered these comments and revised the report as appropriate.

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ABBREVIATIONS

AG	Auditor General
AID	Agency for International Development
GSA	General Services Administration
OAS	AID Operations Appraisal Staff